

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2017-305-E

IN RE:

Request of the South Carolina Office of)	MOTION TO AMEND REQUEST OF
Regulatory Staff for Rate Relief to)	THE SOUTH CAROLINA OFFICE OF
SCE&G Rates Pursuant to)	REGULATORY STAFF FOR RATE
S.C. Code Ann. § 58-27-920)	RELIEF TO SCE&G RATES
)	PURSUANT TO
)	S.C. CODE ANN. § 58-27-920

Introduction

1. Pursuant to S.C. Code Ann. § 58-4-50 (duties and responsibilities of South Carolina Office of Regulatory Staff (“ORS”)), S.C. Code Ann. Regs. 103-828 (2012), and other applicable law, ORS submits the above captioned Motion to Amend Request for Rate Relief (“Request”) to South Carolina Electric & Gas (“SCE&G”) Rates (“Motion”) for the Public Service Commission of South Carolina’s (“the Commission”) consideration.

2. With this Motion, ORS seeks to amend its September 26, 2017, filing, whereby ORS requested rate relief to SCE&G rates pursuant to S.C. Code Ann. § 58-27-920, by adding to it the request that the Commission consider the most prudent manner by which SCE&G will enable its customers to realize the value of the monetized Toshiba Corporation (“Toshiba”) guarantee payment and other payments made by Toshiba towards satisfactions of its obligations to SCE&G.

Background

3. ORS is a statutory party in all matters before the Commission pursuant to S.C. Code Ann. § 58-4-10(B).

4. The Commission is vested with the power and jurisdiction to supervise and regulate the rates of every public utility in South Carolina. S.C. Code Ann. § 58-3-140(A).

5. SCE&G is a public utility regulated by the Commission.

6. SCE&G is 55% owner of the V.C. Summer Nuclear Units 2 and 3 (“the Units” or “Project”) and Santee Cooper, an entity not regulated by the Commission, owns the remaining 45%.

7. SCE&G has announced its intent to seek approval of an abandonment plan for the Units.

8. Westinghouse Electric Corporation, LLC (“WEC”) was the primary contractor for the Units prior to its March 29, 2017, bankruptcy declaration.

9. On July 27, 2017, Toshiba entered into an agreement with SCE&G and Santee Cooper, which set the limit of Toshiba’s guarantee obligation, as the former parent company of WEC, at approximately \$2.168 billion (“Guarantee Payment”) to be paid out over five years in full satisfaction of Toshiba’s obligations of WEC under the engineering, procurement, and construction contract for the new nuclear project at the Units.¹ See Toshiba Press Release issued July 28, 2017, attached hereto as Exhibit 1.

10. On September 27, 2017, SCANA Corporation (“SCANA”), SCE&G’s parent corporation, issued a press release (“Press Release”), attached hereto as Exhibit 2, indicating that SCE&G had sold to Citibank, N.A. (“Citibank”) all future Guarantee Payments that Toshiba owed to SCE&G, for approximately \$1.016 billion,² thereby monetizing those funds and

¹ As a 55% owner of the Units, SCE&G was entitled approximately \$1.192 billion of the Guarantee Payment.

² In addition to the funds received by SCE&G from Citibank’s monetization of SCE&G’s Guarantee Payments, Toshiba made an October payment to SCE&G of \$150 million towards satisfaction of Toshiba’s Guarantee Payment.

ensuring that they are available to mitigate the costs of the abandoned Units for SCE&G's customers.

11. In the Press Release, SCANA indicated that monetizing the Guarantee Payments owed to SCE&G allows the realization of the payments' value for the benefit of SCE&G's customers.

SUPPORT FOR THE MOTION

12. SCE&G indicated that the monetization of the Toshiba Guarantee Payment enabled SCE&G's customers to benefit from and realize the value of the those funds.

13. The benefit of the Guarantee Payment has not been applied to assist SCE&G customers, and the determination of the application of the Guarantee Payment is within the scope of ORS's Request within this docket.

14. Granting this Motion would not cause any party to suffer undue prejudice or delay the procedural due dates as currently set. Therefore, by granting this Motion and allowing this issue to be raised in this proceeding the Commission provides for as expeditious a procedure as possible while promoting judicial economy.

15. Based on the aforementioned, ORS respectfully submits it is just, reasonable, and in the public interest that the Commission grant this Motion and consider in this docket the most prudent manner by which SCE&G will enable its customers to realize the value of the monetized Toshiba Guarantee Payment and any other payments made by Toshiba towards satisfactions of its obligations to SCE&G.

WHEREFORE, ORS respectfully requests that the Commission grant this Motion to amend ORS's Request to consider the appropriate application of the Guarantee Payment to benefit SCE&G customers, and any other action or relief the Commission may deem necessary or appropriate.

Respectfully submitted,

SOUTH CAROLINA OFFICE
OF REGULATORY STAFF

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